

**THE SOCIAL WELFARE ACT (EXCERPT)**  
**Act 280 of 1939**

**400.110a Funding; rural hospital access pool; limitations; definitions.**

Sec. 110a.

(1) Beginning in the fiscal year that ends September 30, 2019, and annually after that, the department shall allocate not less than \$26,000,000.00 of its general fund appropriation to a rural hospital access pool to assist sole community hospitals and rural hospitals with providing services to low-income residents.

(2) All of the following apply to a payment from the rural hospital access pool:

(a) \$8,470,200.00 must be proportionately divided annually among sole community hospitals and rural hospitals that provide obstetrical care to Medicaid beneficiaries, based on the proportion of Medicaid deliveries performed during the second immediately preceding fiscal year.

(b) The balance remaining in the rural hospital access pool after distribution made under subdivision (a) is annually allocated as follows:

(i) Payments are first allocated to reimburse sole community hospitals and rural hospitals for unreimbursed and incurred costs for services delivered to fee for service inpatient and outpatient Medicaid beneficiaries as reported during the second immediately preceding fiscal year cost reporting period.

(ii) Money remaining in the rural hospital access pool after all distributions are made under subparagraph (i) is allocated based on each sole community hospital's and rural hospital's proportion of Medicaid managed care outpatient payments for services performed during the second immediately preceding fiscal year.

(c) Notwithstanding subdivisions (a) and (b), a hospital shall not receive more than 10% of the total funding available under the rural hospital access pool in any 1 fiscal year.

(3) The department must implement this section in a manner that complies with all federal requirements necessary to ensure the maximum amount of federal matching funds is obtained.

(4) As used in this section:

(a) "Medicaid" means the medical assistance administered by the department under this act.

(b) "Rural hospital" means a hospital that meets both of the following:

(i) Has 50 or fewer staffed beds.

(ii) Is located within a county with a population of not more than 195,000 and within a city, village, or township with a population of not more than 15,000 based on the 2020 federal decennial census.

(c) "Sole community hospital" means a hospital classified as a sole community hospital under 42 CFR 412.92.

**History:** Add. 2018, Act 220, Eff. Sept. 24, 2018 ;-- Am. 2024, Act 132, Eff. Apr. 2, 2025

**Popular Name:** Act 280